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## **HEALTH AND SAFETY CODE - HSC**

DIVISION 26. AIR RESOURCES [39000 - 44475.3] (Division 26 repealed and added by Stats. 1975, Ch. 957.) PART 5. VEHICULAR AIR POLLUTION CONTROL [43000 - 44299.91] ( Part 5 added by Stats. 1975, Ch. 957. )

CHAPTER 7. District Fees to Implement the California Clean Air Act [44220 - 44244.1] (Chapter 7 added by Stats. 1990, Ch. 1705, Sec. 1.)

44220. The Legislature hereby finds and declares as follows:

- (a) This chapter is intended to ensure that any county air pollution control district, or unified or regional air pollution control district, may, upon adoption of a resolution by the district governing board, exercise fee authority similar to that provided the south coast district pursuant to Section 9250.11 of the Vehicle Code and the Sacramento district pursuant to Section 41081, in order to ensure that districts, and, in the south coast district, other implementing agencies, have the necessary funds to carry out their responsibilities for implementing the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988).
- (b) The revenues from the fees collected pursuant to this chapter shall be used solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988.

(Amended by Stats. 1996, Ch. 124, Sec. 76. Effective January 1, 1997.)

- 44223. (a) In addition to any other fees specified in this code, the Vehicle Code, and the Revenue and Taxation Code, a district, except the Sacramento district, may levy a fee of up to two dollars (\$2) on motor vehicles registered within the district. A district may impose the fee only if the district board adopts a resolution providing for both the fee and a corresponding program for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988), or for the attainment or maintenance of state or federal ambient air quality standards or the reduction of toxic air contaminant emissions from motor vehicles.
- (b) In districts with nonelected officials on their boards, a resolution adopted pursuant to subdivision (a) shall be approved by both a majority of the board and a majority of the board members who are elected officials.
- (c) A fee imposed pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).

(Amended by Stats. 2015, Ch. 610, Sec. 2. (SB 513) Effective January 1, 2016.)

- 44225. (a) A district may increase the fee established under Section 44223 to up to six dollars (\$6). A district may increase the fee only if both of the following conditions are met:
  - (1) A resolution providing for both the fee increase and a corresponding program for expenditure of the increased fees for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988), or for the attainment or maintenance of state or federal ambient air quality standards or the reduction of toxic air contaminant emissions from motor vehicles, is adopted and approved by the governing board of the district.
  - (2) In districts with nonelected officials on their governing boards, the resolution shall be adopted and approved by both a majority of the governing board and a majority of the board members who are elected officials.
- (b) An increase in fees established pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).
- (c) This section shall remain in effect only until January 1, 2034, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2034, deletes or extends that date.

(Amended (as amended by Stats. 2022, Ch. 355, Sec. 5) by Stats. 2023, Ch. 131, Sec. 120. (AB 1754) Effective January 1, 2024. Repealed as of January 1, 2034, by its own provisions. See later operative version, as amended by Sec. 4 of Stats. 2022, Ch. 355.)

- 44225. (a) A district may increase the fee established under Section 44223 to up to four dollars (\$4). A district may increase the fee only if both of the following conditions are met:
  - (1) A resolution providing for both the fee increase and a corresponding program for expenditure of the increased fees for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988) is adopted and approved by the governing board of the district.
  - (2) In districts with nonelected officials on their governing boards, the resolution shall be adopted and approved by both a majority of the governing board and a majority of the board members who are elected officials.
- (b) An increase in fees established pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).
- (c) This section shall become operative on January 1, 2034.

(Amended (as amended by Stats. 2013, Ch. 401, Sec. 7) by Stats. 2022, Ch. 355, Sec. 4. (AB 2836) Effective January 1, 2023. Operative January 1, 2034, by its own provisions.)

44227. Upon request of a district, the Department of Motor Vehicles shall collect the fees established pursuant to Sections 44223 and 44225 upon renewal of the registration of any motor vehicle subject to this part and registered in the district, except those vehicles which are expressly exempted under the Vehicle Code from the payment of registration fees.

(Added by Stats. 1990, Ch. 1705, Sec. 1.)

- 44229. (a) After deducting all administrative costs it incurs through collection of fees pursuant to Section 44227, the Department of Motor Vehicles shall distribute the revenues to districts, which shall use the revenues resulting from the first four dollars (\$4) of each fee imposed to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies necessary for implementation of the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988). Fees collected by the Department of Motor Vehicles pursuant to this chapter shall be distributed to districts based upon the amount of fees collected from motor vehicles registered within each district.
- (b) Notwithstanding Sections 44241 and 44243, a district shall use the revenues resulting from the next two dollars (\$2) of each fee imposed pursuant to Section 44227 to implement the following programs that the district determines remediate air pollution harms created by motor vehicles on which the surcharge is imposed:
  - (1) Projects eligible for grants under the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5).
  - (2) The new purchase, retrofit, repower, or add-on equipment for previously unregulated agricultural sources of air pollution, as defined in Section 39011.5, for a minimum of three years from the date of adoption of an applicable rule or standard, or until the compliance date of that rule or standard, whichever is later, if the state board has determined that the rule or standard complies with Sections 40913, 40914, and 41503.1, after which period of time, a new purchase, retrofit, repower, or add-on of equipment shall not be funded pursuant to this chapter. The districts shall follow any guidelines developed under subdivision (a) of Section 44287 for awarding grants under this program.
  - (3) The purchase of new schoolbuses or the repower or retrofit of emissions control equipment for existing schoolbuses pursuant to the Lower-Emission School Bus Program adopted by the state board.
  - (4) An accelerated vehicle retirement or repair program that is adopted by the state board pursuant to authority granted hereafter by the Legislature by statute.
  - (5) The replacement of onboard natural gas fuel tanks on schoolbuses that are 14 years or older or the enhancement of deteriorating natural gas fueling dispensers of fueling infrastructure, pursuant to the Lower-Emission School Bus Program adopted by the state board.
  - (6) The funding of alternative fuel and electric infrastructure projects solicited and selected through a competitive bid process.
- (c) The Department of Motor Vehicles may annually expend not more than 1 percent of the fees collected pursuant to Section 44227 on administrative costs.

- (d) A project funded by the program shall not be used for credit under any state or federal emissions averaging, banking, or trading program. An emission reduction generated by the program shall not be used as marketable emission reduction credits or to offset any emission reduction obligation of any person or entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to qualify for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.
- (e) This section shall remain in effect only until January 1, 2034, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2034, deletes or extends that date.

(Amended (as amended by Stats. 2015, Ch. 610, Sec. 4) by Stats. 2022, Ch. 355, Sec. 7. (AB 2836) Effective January 1, 2023. Repealed as of January 1, 2034, by its own provisions. See later operative version, as amended by Sec. 6 of Stats. 2022, Ch. 355.)

- 44229. (a) After deducting all administrative costs it incurs through collection of fees pursuant to Section 44227, the Department of Motor Vehicles shall distribute the revenues to districts, which shall use the fees to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies necessary for implementation of the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988). Fees collected by the Department of Motor Vehicles pursuant to this chapter shall be distributed to districts based upon the amount of fees collected from motor vehicles registered within each district.
- (b) The Department of Motor Vehicles may annually expend not more than the following percentages of the fees collected pursuant to Section 44227 on administrative costs:
  - (1) During the first year after the operative date of this chapter, not more than 5 percent of the fees collected may be used for administrative costs.
  - (2) During the second year after the operative date of this chapter, not more than 3 percent of the fees collected may be used for administrative costs.
  - (3) During any year subsequent to the second year after the operative date of this chapter, not more than 1 percent of the fees collected may be used for administrative costs.
- (c) This section shall become operative on January 1, 2034.

(Amended (as amended by Stats. 2013, Ch. 401, Sec. 9) by Stats. 2022, Ch. 355, Sec. 6. (AB 2836) Effective January 1, 2023. Operative January 1, 2034, by its own provisions.)

<u>44231.</u> After consulting with the Department of Motor Vehicles on the feasibility thereof, a district board may exempt from all or part of the fee any category of low-emission motor vehicle.

(Added by Stats. 1990, Ch. 1705, Sec. 1.)

44233. Not more than 6.25 percent of the fees distributed to any district pursuant to Section 44229, or distributed by a district to any other public agency pursuant to this chapter, shall be used by the district or other public agency for administrative costs.

(Amended by Stats. 2015, Ch. 610, Sec. 5. (SB 513) Effective January 1, 2016.)

44235. A district shall not use fees established under Sections 44223 and 44225 for the purpose of establishing or maintaining the district as a direct provider of carpool, vanpool, or other ridesharing or transit services. However, a district may use these funds to enter into, and implement, agreements with agencies which directly provide carpool, vanpool, or other ridesharing or transit services to provide these services.

(Added by Stats. 1990, Ch. 1705, Sec. 1.)

44236. A district may allocate funds raised by fees established under Sections 44223 and 44225 to meet the requirements of Section 65089 of the Government Code, if those requirements are in compliance with, and necessary for the implementation of, the California Clean Air Act of 1988.

(Added by Stats. 1990, Ch. 1705, Sec. 1.)

44237. A district may use fees established under Sections 44223 and 44225 to enter into an agreement with a council of governments, regional agency, or local agency to carry out Section 40717.

(Added by Stats. 1990, Ch. 1705, Sec. 1.)

- <u>44241.</u> (a) Fee revenues generated under this chapter in the bay district shall be subvened to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
  - (1) The implementation of ridesharing programs.
  - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
  - (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
  - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
  - (5) Implementation of rail-bus integration and regional transit information systems.
  - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.
  - (7) Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
  - (8) Implementation of a smoking vehicles program.
  - (9) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
  - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
  - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved areaspecific plan, redevelopment plan, general plan, or other similar plan.
- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.
  - (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.
- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.
- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.
- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision (c).

44241.5. The bay district board shall hold an annual public hearing to review the expenditure of revenues received by the bay district pursuant to Section 44241 to determine their effectiveness in improving air quality.

(Added by Stats. 1995, Ch. 950, Sec. 3. Effective January 1, 1996.)

- 44242. (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.
- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
  - (1) Make the audit available to the public and to the affected agency upon request.
  - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.
- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
  - (1) Notify the agency of its determination.
  - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.
  - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.
- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

(Amended by Stats. 1995, Ch. 950, Sec. 4. Effective January 1, 1996.)

- <u>44243.</u> Fee revenues generated under this chapter in the south coast district shall be subvened to the south coast district by the Department of Motor Vehicles, after deducting its administrative costs pursuant to Section 44229, for expenditure in the following manner:
- (a) (1) Thirty cents (\$0.30) of every dollar subvened shall be used by the south coast district for programs to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies which are authorized by, or necessary to implement, the Clean Air Act Amendments of 1990 (P.L. 101-549), the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.
  - (2) Funds allocated pursuant to paragraph (1) shall also be used to provide technical assistance to cities receiving funds pursuant to subdivision (b). That technical assistance shall include, but not be limited to, workshops and direct assistance to individual cities on how to develop and implement programs to reduce air pollution from motor vehicles.
- (b) (1) Forty cents (\$0.40) of every dollar subvened shall be distributed by the district to cities and counties located in the south coast district, based upon their prorated share of population, to be used to implement programs to reduce air pollution from motor vehicles which are authorized by, or necessary to implement, the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3. No city or county may receive funds pursuant to this subdivision unless, on or before April 1, 1992, or, for a newly incorporated city, within 90 days of the date of incorporation, the city or county has adopted and transmitted to the south coast district an ordinance which does all of the following:

- (A) Expresses support for the adoption of motor vehicle registration fees to be used to reduce air pollution from motor vehicles pursuant to the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.
- (B) Expressly requires all fee revenues distributed to the city or county pursuant to this subdivision or subdivision (c) to be spent to reduce air pollution from motor vehicles pursuant to the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.
- (C) Establishes an air quality improvement trust fund into which all fee revenues distributed to the city or county shall be deposited, and out of which expenditures shall be made to reduce air pollution from motor vehicles pursuant to the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.
- (2) If a city or county fails to adopt an ordinance pursuant to this subdivision, the fee revenues which would be distributed to that city or county shall instead be distributed to the other cities and counties within the south coast district which have adopted an ordinance pursuant to this subdivision, based upon their prorated share of registered motor vehicles.
- (c) Thirty cents (\$0.30) of every dollar subvened shall be deposited by the district in an account to be used, pursuant to Section 44244, to provide grants to fund projects for the exclusive purpose of reducing air pollution from motor vehicles that are authorized by, or necessary to implement, the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.

(Amended by Stats. 1995, Ch. 812, Sec. 1. Effective January 1, 1996.)

- <u>44244.</u> (a) There is hereby created a regional Mobile Source Air Pollution Reduction Review Committee. The committee shall be comprised of one representative from each of the following agencies:
  - (1) The south coast district.
  - (2) The Southern California Association of Governments.
  - (3) The San Bernardino Associated Governments.
  - (4) The Los Angeles County Transportation Commission.
  - (5) The Orange County Transportation Commission.
  - (6) The Riverside County Transportation Commission.
  - (7) The state board.
  - (8) A regional ridesharing agency selected by the other members of the committee.
- (b) Fees allocated pursuant to subdivision (c) of Section 44243 shall be used to provide grants for projects to be funded pursuant to a work program developed and adopted by the committee and approved by the south coast district board in the following manner:
  - (1) The work program shall be adopted by an affirmative vote of a majority of the committee members.
  - (2) Upon adoption of the work program, the work program shall be submitted to the south coast district board which, within 60 days, may approve the work program by majority vote of the full south coast district board. If the south coast district board fails to approve the work program within 60 days of receiving it, the work program shall be deemed disapproved. If the south coast district board disapproves the work program, it shall be returned to the committee which shall amend, readopt, and resubmit the work program to the south coast district board for approval or disapproval.
- (c) The committee shall establish a technical advisory committee to assist in the development of the work program. The technical advisory committee shall include, but not be limited to, representatives of agencies which make up the committee, a representative of the cities from each county within the south coast district, and a representative of the boards of supervisors of each county within the south coast district. The technical advisory committee shall also include one or more persons who have academic training and professional expertise in air pollution control, and one person who is a mechanical engineer specializing in vehicle engines. The technical advisory committee may also include representatives of other public agencies and other interested parties that the committee may determine to be appropriate.

- (d) On or before July 1, 1993, the committee shall prepare, adopt, and make available to the public clear and concise written guidelines and procedures under which projects proposed for funding under the work program will be reviewed and recommended for funding. The guidelines shall specify that only those projects that include, but are not limited to, the adoption and implementation of transportation control measures, transportation demand management programs, clean fuel and clean vehicle programs, and research and monitoring programs, in compliance with the Clean Air Act Amendments of 1990 (P.L. 101-549), the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3, and that result in direct and tangible reductions in vehicular air pollution, shall be funded pursuant to the work program.
- (e) The south coast district shall not be eligible for funds allocated pursuant to this section. (Amended by Stats. 1994, Ch. 721, Sec. 1. Effective September 22, 1994.)

**44244.1.** (a) Any agency which receives fee revenues pursuant to Section 44243 or 44244 shall, at least once every two years, be subject to an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the south coast district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Sections 44243 and 44244.

- (b) Upon completion of an audit conducted pursuant to subdivision (a), the south coast district shall do both of the following:
  - (1) Make the audit available to the public and to the affected agency upon request.
  - (2) Review the audit to determine if the revenues from the fees received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988) or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.
- (c) If, after reviewing the audit, the south coast district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3, the district shall do all of the following:
  - (1) Notify the agency of its determination.
  - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information related to expenditure of the revenues from the fees.
  - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other agencies or, upon approval of the district board, to entities specified in the work programs developed by the mobile source advisory committee, to the extent the district determines that they have complied with this chapter.
- (d) Any agency which receives fee revenues pursuant to Section 44243 or 44244 shall expend the funds within one year of the program or project completion date.

(Amended by Stats. 1992, Ch. 427, Sec. 108. Effective January 1, 1993.)